

Town of Lunenburg

Finance Committee:
Terri Burchfield, Chairman
Mark Erickson, Vice-Chairman
Jay Simeone, Secretary
John Henshaw
Hannah Anderson



17 Main Street, P.O. Box 135
Lunenburg, MA 01462-0135
978.582.4139
FAX 978.582.4148

Lunenburg Finance Committee Minutes August 11, 2016

Location: Town Hall
Present: Terri Burchfield, Mark Erickson, Jay Simeone, John Henshaw
Absent: Hannah Anderson
Also Present: Kerry Lafleur, Town Manager

1. Terri called the Finance Committee meeting to order at 7:00 pm. This is a televised and video recorded meeting. The video will be available on: <https://www.youtube.com>.
 2. Comments:
 - a. Public: None
 - b. New Communications: None
 -
 3. Open public hearing
 - a. Special Town meeting warrant article recommendations
 - b. Article 1. Review of proposed 2017 budget adjustments. Review of the 2017 Cherry sheet. The town will receive \$61,191 in additional revenue. Mostly from Chapter 70. There are reductions in assessments of \$18,892, which result in additional revenue for the Town. Additional funding for Veterans benefits in the amount of \$26,065. Veterans benefits are reimbursed 75% in the following year.

The total net increase in revenue is \$114,733.
Proposed uses for the additional income are:
 1. Requests from the School Superintendent and the School Committee is requesting \$36,740 to replace the loss of grant funding for the kindergarten program.
 2. Place all of the additional revenue in the reserve fund.The Town Manager recommends \$77,993 to the reserve fund and \$36,740 to the School Dept.
- Article 1. Mark E. motions to recommend approval to transfer \$77,933 into the reserve fund and \$36,740 into the School Dept. for a total of \$114,733. John H. seconded. All in favor. 4-0
- Article 2. DPW collective bargaining agreement. FY16 thru FY18. 1.5% COL increase. Increase of \$350 dollars for uniform allowance for a total of \$1000 per year, per employee. Estimated cost for one year is \$6100 for 9 employees. Funded thru the Salary Reserve account.
- Mark E. move to recommend approval for article 2 to fund the first year of the public employee union 39 contract. John H. seconded. All in favor. 4-0
- Funding for the second year of the contract agreement is thru a transfer request.
- Article 3. Police union contract. Not yet ratified.
- Article 4. Cemetery Commission. Pass over.
- Article 5-6-7. Solar power agreements. Pass over.

Article 8 – 14 These articles are mostly for house keeping issues, clean up language. Members would like to hear the discussion on the articles before deciding if there is any financial impact.

Article 15. Land boundary agreement between 64 Chestnut Street and the Town of Lunenburg Parks dept.
No Financial Impact.

Article 16. Agricultural Preservation Restriction for Lanni Orchards. To authorize the Town to fund \$58,000 towards the APR. A 10% local match. The funds had already been held in reserve since last year. No new money is needed. The APR will place a restriction on the use of the property for perpetuity.

Mark E. moves to recommend approval to authorize the local 10% match on the Lanni property. John seconded. All in favor. 4-0

This concluded the public hearing on the Town meeting warrant. Public meeting is closed.
Regular meeting to resume with Town manager reports.

4. Town Manager Report:

a. FY16 financial report. The Town will be ending the fiscal year with expenditure close out of \$331,676.92, which includes the \$58K for the APR.

Revenue received over our estimates in the amount of \$643,840.66.

Ending balance of \$975,517.58

Estimated Certified free cash as of July 1, 2016 estimated at \$800K

There are several options for use of these funds. Deposit to the Stabilization fund to get it up to 5%, the OPED account, capital projects. The board will discuss options.

So were did the addition funds come from?

Our total revenue collection for FY17 was 101.85% of our estimates. Local receipts collected were 118.55% in total. That is \$513,86.89 more than estimated. About 9K more in meals tax. \$200k more in motor vehicles excise tax. Investment income was 48k higher than estimated. This was due to the bond proceeds for the new School. This was a one time increase. Other departments receipts were \$54k higher. Fees were 35k higher, Penalties and interest were \$22k higher, license and permits were \$36K higher.

Taxes received were 98.72% of the levy. That's about 300k less than the estimate. We have to estimate 100% collection. Received about \$400k in prior year delinquent taxes. State aid \$30K more. Received 96K for the Tri Town Landing. A 40R project. We receive \$3000 per unit. One new building came on line. We received additional 40S funds for FY16. Still not 100% or what was due.

End of year fiscal expenditures or encumbrances were 99.02% of the budget. There was a total of \$331,676.92 in Appropriation turn backs. There were turn backs in reserve fund, salary reserve fund, tax title redemption and foreclosure account, facility and grounds (\$4200) due to lower utility cost, central purchasing, principle and interest loan account, 40K from vehicle maintenance. COA, due to change in staff and salary, Veterans benefits, Choice (\$40,747) and Charter tuition (\$150,075) due to declining enrollment. Health ins, Liability account, Internal adjustments, Summer St. design cost was covered with additional funds with out using Chapter 90 or operational budget funds. Track and Field design (10K). \$58K for the Lanni Orchards was covered with the additional funds.

Final chapter 44 section 33B transfers to close the year will be presented to the FinCom later this month or the beginning of September.

Sick leave buyback for AFSME Municipal collective bargaining group. Largest group with sick leave buy back. Selectmen have authorized the buy back of 20% of the sick leave, and give employee's notice that the Town will consider buying back the additional 80%.

In total the liability is \$94,713. The 20% the town will buy back automatically is just under \$19,000.

5. Budget goals and opportunities:
 - a. Financial policy managing debt
6. Review of minutes:
 - a. Minutes of the July 14th, 2016 meeting: Mark E. moved to accept the minutes; Jay seconded the motion, and the motion was approved by a 4-0 vote.
7. Committee and Department Updates:

<u>Committee/Department</u>	<u>Update</u>
Public Access Cable—John H.	No report
Capital Planning—John H.	No report
Dept. of Public Works—John H.	No report.
Library—Terri B.	No report
Public Safety—Terri B.	No Report.
Schools, Monty Tech, COA	No Report.
Green Task Force—Jay S.	No Report.
Sewer Commission Task Force—Jay S.	No Report.
School Bldg. Comm. Building Reuse Comm. Town Manger Search Comm.	<p>School Bldg. Comm. Meet last night. Demo of old high school is continuing and should be complete next week. Final paving of the roadway from Mass ave to the new school should be completed next week. Foundation for green house is being poured next week. Building is being delivered on 8-22. Turning on the HVAC today. Whalom Park Mural is up in the center of the building. Approve change order #16. Athletic field re-sizing. The athletic fields have been resized the same size. Marker board and tact board changes \$13,535. Open riser infield panel \$3574. Added glass to Athletic Directors office to reduce noise. \$2227 case work and flag holder additions \$15,419, Six wall clocks \$4240, signage around the building \$5526. Total for change orders \$1,058,736. Plus \$70,140K, for a total of \$1,128,876.</p> <p>Two potential change orders under discussion: One is the repeater for Police Dept. for \$34,347 Fire Dept repeater was in the budget. The Police repeater was missed. Two is for plantings for an abuter. \$6400</p> <p>Building Reuse meets on Monday.</p> <p>Town Manger Search Comm. Meets next Thursday.</p>

8. On Going Buisness:

None
8. Next meeting:

BOS workshop on August 16th at Town Hall.
Thursday, August 22, 2016 at 6:00 PM at new High School.
Special Town Meeting August 22nd at 7:pm at new High School
August 25th regular meeting. 7 pm. At Town Hall
9. Adjournment: Mark E. made a motion to adjourn. John seconded the motion. The committee approved the motion 4-0 at 8:17 pm.